

Correctional Alternative Placement

Analyst: Burns

Historical Summary

OPERATING BUDGET	FY 2008 Total App	FY 2008 Actual	FY 2009 Approp	FY 2010 Request	FY 2010 Gov Rec
BY FUND CATEGORY					
General	0	0	39,900	2,624,400	39,900
Percent Change:				6,477.4%	0.0%
BY OBJECT OF EXPENDITURE					
Personnel Costs	0	0	0	78,800	0
Operating Expenditures	0	0	39,900	1,898,000	39,900
Capital Outlay	0	0	0	647,600	0
Total:	0	0	39,900	2,624,400	39,900
Full-Time Positions (FTP)	0.00	0.00	0.00	4.00	0.00

Division Description

The 400-bed Correctional Alternative Placement Program (CAPP) will be a privately built, owned and operated treatment facility that will provide intensive residential substance abuse and cognitive programming for parole violators, reentry offenders, and retained jurisdiction offenders. This program will help probation and parole officers more effectively manage their offenders and it will help improve the transition of offenders from prison to the community.

Funding for CAPP was approved in 2006, but changes in governors and directors slowed progress on the request for proposal. The bid has now been accepted and construction is underway. The contractor proposed a capital-lease that would allow the state to own the building at the end of the contract. According to the department, this lease-purchase saves the state money compared to a straight lease throughout the life of the contract. The main savings will come from federal income tax avoidance in the financing and these savings are being passed through to the state. It should also be noted, had the state opted to build this facility through municipal bonding, the state's cost would have been even less.

The Legislature opted into the capital lease arrangement with the passage of SCR124. This granted the State Board of Correction and the Division of Public Works authority to enter into a lease-purchase agreement for the CAPP facility with Management and Training Corporation and MTC Corrections Holding, LLC, for a maximum cost of \$50,416,857 over the twenty-year period of the lease-purchase agreement. The groundbreaking ceremony was held Friday, July 18, 2008, and held on the sited property at Pleasant Valley and Kuna-Mora Road.

Correctional Alternative Placement

Analyst: Burns

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2009 Original Appropriation	0.00	39,900	39,900	0.00	39,900	39,900
FY 2010 Base	0.00	39,900	39,900	0.00	39,900	39,900
1. Staffing & Per Diem	4.00	2,584,500	2,584,500	0.00	0	0
Lump Sum or Other Adjustments	0.00	0	0	0.00	0	0
FY 2010 Total	4.00	2,624,400	2,624,400	0.00	39,900	39,900
Change from Original Appropriation	4.00	2,584,500	2,584,500	0.00	0	0
% Change from Original Appropriation		6,477.4%	6,477.4%		0.0%	0.0%

Correctional Alternative Placement

Analyst: Burns

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2009 Original Appropriation	0.00	39,900	0	0	39,900
FY 2010 Base					
Agency Request	0.00	39,900	0	0	39,900
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>39,900</i>	<i>0</i>	<i>0</i>	<i>39,900</i>

1. Staffing & Per Diem

Correctional Alternative Placement

Provides funding to meet the financial requirements associated with the lease-purchase and operation, as well as the administrative oversight, monitoring, transportation, and aftercare needs associated with the Correctional Alternative Placement Program (CAPP). This facility will be operated under contract by Management and Training Corporation (MTC). Ground breaking for MTC to start building the facility was July 18, 2008, and it is estimated it will take approximately twenty-two months to complete the building with an estimated opening in May, 2010. The facility and program are designed to provide diversion and re-entry services, substance abuse and cognitive programming to approximately 400 offenders. The offender populations served will include: re-entry offenders from prisons, parole violators in diversion programs, and retained jurisdiction offenders from probation in need of diversion programming.

FY 2010 LEASE PURCHASE: Provides \$1,889,500 in lease purchase payments. Of that amount, \$1,241,900 is interest payments and \$647,600 is principal. Annual service rent for things like taxes, insurance, and maintenance is estimated to cost \$449,200.

FY 2010 OPERATIONAL PER DIEM: Per diem is based on a per day, per offender basis for those offenders receiving treatment. This cost will vary depending on the number of offenders housed in the CAPP facility. The contracted housing rate is \$43.23 per day for the first 389 offenders and \$25 per day for additional offenders above 389. If the department housed 400 offenders for 365 days, the total per diem would be \$6,238,400. Per diem will have to be annualized in FY 2011. Currently, \$134,000 is budgeted for FY 2010.

FY 2010 PERSONNEL: Includes two drug and alcohol rehabilitation specialists to provide offender aftercare programming and services. These positions will help maximize the benefits of the CAPP program and bridge the process to community-based programming once the offenders are returned to the community. In addition, two correctional officers are included to provide transport services. This facility, due to the relatively short-term nature of its housing, will require significant transport services between prisons, work centers, and county jails. A total of \$111,800 has been budgeted for these four positions. It should be noted that funding for these four positions are for a partial year only and will need to be annualized in FY 2011.

Agency Request	4.00	2,584,500	0	0	2,584,500
<i>Not recommended by the Governor.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>

Lump Sum or Other Adjustments

Agency Request	0.00	0	0	0	0
<i>The Governor recommends an appropriation that is not subject to state budget laws that restrict the transfer of money between personnel costs, operating expenditures, capital outlay, or trustee & benefit payments. Lump sum authority requires legislative approval.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>

FY 2010 Total					
Agency Request	4.00	2,624,400	0	0	2,624,400
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>39,900</i>	<i>0</i>	<i>0</i>	<i>39,900</i>
Agency Request					
Change from Original App	4.00	2,584,500	0	0	2,584,500
% Change from Original App		6,477.4%			6,477.4%
<i>Governor's Recommendation</i>					
Change from Original App	0.00	0	0	0	0
% Change from Original App		0.0%			0.0%